

**UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK**

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In re: : **Chapter 11**
:
SEARS HOLDINGS CORPORATION, et al., : **Case No. 18-23538 (RDD)**
:
: **(Jointly Administered)**
Debtors.¹ :
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**SUPPLEMENTAL DECLARATION OF BENJAMIN J. STEELE IN
SUPPORT OF (A) APPLICATION OF DEBTORS PURSUANT TO
11 U.S.C. § 105(a), 28 U.S.C. § 156(c), AND LOCAL RULE 5075-1 FOR AN
ORDER APPOINTING PRIME CLERK LLC AS CLAIMS AND NOTICING
AGENT FOR THE DEBTORS; AND (B) APPLICATION OF THE DEBTORS
PURSUANT TO 11 U.S.C. § 327(A), BANKRUPTCY RULES 2014(a) AND 2016(a),
AND LOCAL RULES 2014-1 AND 2016-1 FOR AUTHORITY TO RETAIN
AND EMPLOY PRIME CLERK LLC AS ADMINISTRATIVE AGENT
FOR THE DEBTORS NUNC PRO TUNC TO THE COMMENCEMENT DATE**

I, Benjamin J. Steele, under penalty of perjury, declare as follows:

1. I am a Vice President of Prime Clerk LLC (“*Prime Clerk*”), a chapter 11 administrative services firm whose headquarters are located at One Grand Central Place, 60 East 42nd Street, Suite 1440, New York, New York 10165. Except as otherwise noted, I have

¹ The Debtors in these chapter 11 cases, along with the last four digits of each Debtor’s federal tax identification number, are as follows: Sears Holdings Corporation (0798); Kmart Holding Corporation (3116); Kmart Operations LLC (6546); Sears Operations LLC (4331); Sears, Roebuck and Co. (0680); ServiceLive Inc. (6774); SHC Licensed Business LLC (3718); A&E Factory Service, LLC (6695); A&E Home Delivery, LLC (0205); A&E Lawn & Garden, LLC (5028); A&E Signature Service, LLC (0204); FBA Holdings Inc. (6537); Innovel Solutions, Inc. (7180); Kmart Corporation (9500); MaxServ, Inc. (7626); Private Brands, Ltd. (4022); Sears Development Co. (6028); Sears Holdings Management Corporation (2148); Sears Home & Business Franchises, Inc. (6742); Sears Home Improvement Products, Inc. (8591); Sears Insurance Services, L.L.C. (7182); Sears Procurement Services, Inc. (2859); Sears Protection Company (1250); Sears Protection Company (PR) Inc. (4861); Sears Roebuck Acceptance Corp. (0535); Sears, Roebuck de Puerto Rico, Inc. (3626); SYW Relay LLC (1870); Wally Labs LLC (None); SHC Promotions LLC (9626); Big Beaver of Florida Development, LLC (None); California Builder Appliances, Inc. (6327); Florida Builder Appliances, Inc. (9133); KBL Holding Inc. (1295); KLC, Inc. (0839); Kmart of Michigan, Inc. (1696); Kmart of Washington LLC (8898); Kmart Stores of Illinois LLC (8897); Kmart Stores of Texas LLC (8915); MyGofer LLC (5531); Sears Brands Business Unit Corporation (4658); Sears Holdings Publishing Company, LLC. (5554); Sears Protection Company (Florida), L.L.C. (4239); SHC Desert Springs, LLC (None); SOE, Inc. (9616); StarWest, LLC (5379); STI Merchandising, Inc. (0188); Troy Coolidge No. 13, LLC (None); BlueLight.com, Inc. (7034); Sears Brands, L.L.C. (4664); Sears Buying Services, Inc. (6533); Kmart.com LLC (9022); and Sears Brands Management Corporation (5365). The location of the Debtors’ corporate headquarters is 3333 Beverly Road, Hoffman Estates, Illinois 60179.

personal knowledge of the matters set forth herein, and if called and sworn as a witness, I could and would testify competently thereto.

2. On October 15, 2018, I submitted a declaration (the “**Initial 156(c) Declaration**”) in support of the *Application of Debtors Pursuant to 11 U.S.C. § 105(a), 28 U.S.C. § 156(c), and Local Rule 5075-1 for an Order Appointing Prime Clerk LLC as Claims and Noticing Agent for the Debtors*, which was filed by the above-captioned debtors and debtors in possession (collectively, the “**Debtors**”) on October 15, 2018 [Docket No. 27] (the “**Section 156(c) Application**”).

3. On October 31, 2018, I submitted a declaration (the “**Initial 327 Declaration**” and, together with the Initial 156(c) Declaration, the “**Initial Declarations**”) in support of the *Application of the Debtors Pursuant to 11 U.S.C. § 327(a), Bankruptcy Rules 2014(a) and 2016(a), and Local Rules 2014-1 and 2016-1 for Authority to Retain and Employ Prime Clerk LLC as Administrative Agent for the Debtors Nunc Pro Tunc to the Commencement Date*, which was filed by the Debtors on October 31, 2018 [Docket No. 394] (the “**Section 327 Application**” and together with the Section 156(c) Application, the “**Applications**”).² I hereby incorporate by reference, in their entirety, the Initial Declarations as if fully set forth herein.

4. I hereby supplement the Initial Declarations to disclose that Prime Clerk is now an indirect subsidiary of Duff & Phelps LLP (“**D&P**”).³ D&P is the global advisor that protects, restores and maximizes value for clients. Within the D&P corporate structure, Prime Clerk operates independently from D&P. As such, any relationships that D&P and its affiliates

² Capitalized terms used but not otherwise defined herein shall have the meanings set forth in the Applications or Initial Declarations, as applicable.

³ As previously disclosed, Prime Clerk received an investment from an investment vehicle formed by Carlyle Strategic Partners IV, L.P., an investment fund managed by Carlyle Global Credit Investment Management L.L.C., an affiliate of The Carlyle Group (collectively, “**Carlyle**”). As a result of the D&P acquisition, Carlyle retains a less than 5% interest in D&P, which is an indirect interest in Prime Clerk.

maintain do not create an interest of Prime Clerk that is adverse to the Debtors' estates. Prime Clerk recently has been advised that D&P has provided and continues to provide valuation, opinion, dispute consulting, and other services to the Debtors. D&P filed a contingent, unliquidated proof of claim against the Debtors relating to certain prepetition services provided by D&P to the Debtors [Claim No. 17494]. Due to the administrative nature of the services provided by Prime Clerk under the Applications and the separateness between Prime Clerk and D&P, Prime Clerk believes this connection does not present an interest adverse to the Debtors.

5. Prime Clerk recently has learned that, by separate orders dated June 26, 2019 [Docket Nos. 4362 and 4373] (together, the "**Acumen/ASK Orders**"), the Debtors retained Acumen Recovery Services, LLC ("**Acumen**") and ASK LLP, respectively, to provide preference recovery services to the Debtors as set forth in the Acumen/ASK Orders. Ron Jacobs, a Senior Advisor of Prime Clerk, also is a Senior Advisor of Acumen. Mr. Jacobs directly and indirectly holds approximately 40% of the outstanding membership interests in Acumen. In addition, Mr. Jacobs and five other employees of Prime Clerk indirectly hold, in the aggregate, 10% of the membership interests in Acumen. Other than as set forth herein, Prime Clerk and Acumen operate independently of each other. Prime Clerk does not believe this connection presents an interest adverse to the Debtors.

6. A Consultant at Prime Clerk's father is the Vice President, Chief Financial Officer and Chief Administrative Officer at Herbert Mines Associates ("**HMA**"). HMA is an executive search firm that previously provided services to the Debtors. Prime Clerk has been advised that HMA is not currently providing any services to the Debtors and that there are no outstanding amounts owed from the Debtors to HMA.

Pursuant to 28 U.S.C. § 1746, I declare under penalty of perjury that the foregoing
is true and correct to the best of my information, knowledge and belief.

Executed on August 20, 2019

/s/ Benjamin J. Steele

Benjamin J. Steele

Vice President

Prime Clerk LLC

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